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ABSTRACT

This American Indian economics supplement is based on the 1997 U.S. voluntary national content standards in economics. That national document is predicated on 20 "content standards" of student knowledge, each of which includes "benchmarks" for grades 4, 8, and 12. For each set of benchmarks, the national standards contain statements about how students will use the knowledge they have gained. This supplement adapts the "student uses of knowledge" for American Indian educational settings, providing sample focus areas for Indian students for each of the 20 national content standards. Comments point out cultural biases or explain Indian perspectives on specific benchmarks, and student activities to display utilization of the knowledge relevant to that benchmark are listed. Sample focus areas include tribal land, allocation of tribal resources, cost-benefit analysis of environmental issues, historic Indian economic systems, cultural influences on incentives, economic specialization in the community, producers and consumers on Indian reservations, economic effects of a tribe's special tax status, market competition in a local context, local businesses and labor market, and tribal government revenues and expenditures. This document may also serve as a stimulus of ideas for the development of tribally specific economics education standards. (SV)

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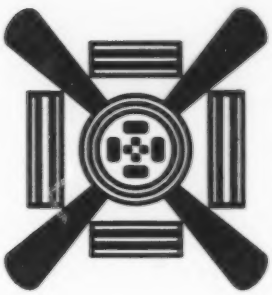
ED 420 486

AMERICAN INDIAN SUPPLEMENT TO THE NATIONAL STANDARDS FOR ECONOMICS



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Bureau of Indian Affairs

By: **ORBIS Associates**
Washington, D.C.
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Based on the 1997 Voluntary National Content Standards in Economics developed by the National Council on Economic Education

RC 021593

American Indian Supplement to the National Standards for ECONOMICS EDUCATION

Introduction

This American Indian Economics Supplement is based on the Voluntary National Content Standards in Economics, developed in 1997 by the National Council on Economic Education. That national document is predicated on twenty "content standards" of student knowledge. Under each national standard are "benchmarks" for grades 4, 8, and 12. Additionally, for each set of benchmarks the national standards contain statements about how students will "use" the knowledge they have gained.

The authors of this American Indian Supplement felt that this latter section of the national standards (i.e. "student uses of knowledge") was the most appropriate to adapt for American Indian education settings. That is what is contained on the following pages. All *italicized* text in this Supplement is taken directly from the national standards. All text in regular font is that which the authors have developed specifically for American Indian contexts.

It should be noted that the national standards clearly reflect western thought and practice in economics. Given the multi-cultural world in which American Indian students live and function as tribal leaders, professionals, employees of businesses, business owners, consumers, and so forth, the study of these standards is necessary. American Indian students need to learn to see the relevance of economics and economic activities in their own communities. However, the retention of American Indian culture and traditions is equally important to tribal communities. Therefore, we encourage the teaching of any traditional tribal concepts related to the broad concept of economics. For example, concepts such as value, natural resources, and human needs may vary, based on cultural beliefs of different tribes. Such tribally-based beliefs and practices can serve to preserve culture and build tribal citizenry of the future. Some recommendations along these lines have been made in this document. However, decisions about appropriate cultural concepts and their use in the classroom are best made at the local level.

The development of this American Indian Supplement is not in any way intended to discourage development of tribal specific Economic Standards by those Indian communities who desire to take that route. This Supplement may, in those cases, help serve as a stimulus of ideas for formulating such a document. On the other hand, for Indian communities which do not choose to develop their own Economics Standards, we hope this Supplement will provide some useful suggestions for student activities designed to reinforce economic-related concepts.

We note that this Supplement should be considered "a work in progress." As such, it will periodically be improved and revised by the BIA, based on input from American Indian educators and leaders. Please send any comments you might have to:

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National Content Standard 1

Students will understand that:
Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #10***

Natural resources, such as land, are "gifts of nature;" they are present without human intervention. American Indian communities have strong traditional values related to nature and its resources. These values often affect decisions regarding how natural resources on tribal lands should or should not be used in the production of goods for economic benefit.

By the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Explain why a choice must be made, given a specific piece of tribal land and some alternative uses for that land (e.g., mine, farm or powwow camp ground).
- Identify examples of natural resources which are currently harvested or potentially harvestable on tribal lands and which could be used in the production of products, or in generating income for the tribe, if sold.
- Use a resource map of students' reservation or other tribal lands to locate examples of natural resources.

GRADE 8: ***BENCHMARK #5***

The evaluation of choices and opportunity costs is subjective; such evaluations differ across individuals and societies. Like most governments, tribal governments do not have all the resources they need to address the needs of their communities. There are usually trade-offs in the decision making process. Additionally, tribal cultures often influence the evaluation of choices and opportunity costs within tribal areas. Yet, even in a single tribal community, there may be decidedly different perspectives and, thus, preferences about the allocation of tribal resources, the development and/or use of tribal land or natural resource holdings, etc. Choices have to be made.

By the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Role play a Tribal Council meeting to allocate a budget of $100,000, based on the following scenario: there are several different options the Council needs to consider -- buying four new police cars at $25,000 each, repairing two elder centers at $50,000

each, building a new powwow ground complex at $50,000, and setting up a tribal scholarship program with $50,000. Explain why a choice must be made, and decide how the tribal council should spend the money. Describe the trade-offs made, the effects of those trade-offs on the community, and identify the opportunity cost of the decision.

- Individually develop a solution to a problem that affects everybody in the students' tribal community and identify the opportunity cost. Compare the solutions and explain why solutions and opportunity costs differ.

GRADE 12: ***BENCHMARK #1***

Choices made by individuals, firms, or government officials often have long-run unintended consequences that can partially or entirely offset the initial effects of their decisions. Tribal governments regularly make decisions with important long-term consequences. As with all governments, choices made by tribal officials do not always have the same outcomes or consequences as desired or initially thought probable.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Explain various ways in which a tribal government's decision to harvest timber on tribal reservation land could affect reservation life. Discuss what kinds of factors should be considered in making this initial choice, and what could be some of the positive and negative consequences for the community (economically, environmentally, etc.).

National Content Standard 2

Students will understand that:
Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something; few choices are all-or-nothing decisions.

Sample Focus Areas for American Indian Students

GRADE 12: ***BENCHMARKS #1-4***

Marginal benefit is the change in total benefit resulting from an action. Marginal cost is the change in total cost resulting from an action.

As long as the marginal benefit of an activity exceeds the marginal cost, people are better off doing more of it; when the marginal cost exceeds the marginal benefit, they are better off doing less of it.

To produce the profit-maximizing level of output and hire the optimal number of workers and other resources, producers must compare the marginal benefits and marginal costs of producing a little more with the marginal benefits and marginal costs of producing a little less.

To determine the optimal level of a public policy program, voters and government officials must compare the marginal benefits and marginal costs of providing a little more or a little less of the program's services.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Apply the concepts of marginal benefit and marginal cost to an environmental ordinance that a tribe has passed (which restricts the level of air pollution a factory can emit), and weigh it against the employment opportunities that the factory provides to the community. [Provide students with hypothetical data regarding reservation unemployment rates, the costs to the community associated with unemployment, and the costs for reducing pollution produced by businesses on tribal lands.] Use the concepts of marginal cost and marginal benefit to evaluate the best pollution-control options for the tribe.
- Decide how many workers would need to be hired for a profit-maximizing tribal enterprise by comparing the cost of hiring each additional worker to the additional revenues projected to be derived from hiring each additional worker.

National Content Standard 3

Students will understand that:
Different methods can be used to allocate goods and services. People, acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARKS #2 & 4***

There are essential differences between a market economy, in which allocations result from individuals making decisions as buyers and sellers, and a command economy, in which resources are allocated according to central authority.

National economies vary in the extent to which they rely on government directives (central planning) and signals from private markets to allocate scarce goods, services, and productive resources.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Compare the advantages and disadvantages of economic systems used among American Indian communities both prior to and after the arrival of Europeans; for example, examine trade and barter systems, reciprocal giving traditions. Relate these to criteria of broad social goals such as freedom, efficiency, peace, fairness and reciprocity. Compare those traditional systems with the economic systems used by Europeans from the 16th to 18th centuries.

- Understand that as a result of their special political status and relationship with the United States government, tribal governments as sovereign entities are unique. Compare the relative size and responsibilities of different tribal governments, especially with respect to the types of decisions they make regarding the provision of services to their communities and the use of their tribally owned natural and other resources.

GRADE 12: ***BENCHMARK #1***

Comparing the benefits and costs of different allocation methods in order to choose the method that is most appropriate for some specific problem can result in more effective allocations and a more effective overall allocation system.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Examine the local tribal economic system, and the tribal government's methods for allocating resources. Assess the effectiveness of methods used to allocate tribal resources associated with, for example and as locally relevant: housing; services to the elderly; scholarships; law enforcement; courts; hunting and fishing licenses; and school attendance zones.

National Content Standard 4

Students will understand that:
People respond predictably to positive and negative incentives.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #4***

People's views of rewards and penalties differ because people have different values. Therefore, an incentive can influence different individuals in different ways. American Indian responses to incentives can be influenced by tribal beliefs and values.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Identify examples of current or traditional incentives that are an integral part of the students' tribal culture --e.g., traditional child rearing techniques and disciplinary procedures that the tribal culture used or still uses with children. Identify specific roles that elders play in using these incentives through their teachings, storytelling, or role modeling. Identify ways in which non-Indians or members of different tribes might respond differently to those same incentives.

GRADE 12: ***BENCHMARK #2***

[Governments], small and large firms . . . and educational . . . organizations have different goals and face different rules and constraints. These goals, rules, and constraints influence the benefits and costs of those who work with or for those organizations and, therefore, their behavior.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Compare and contrast the positive and negative incentives an individual might face in serving as a tribal council member, a tribal police officer, the owner of a small business on the reservation, or the director of a tribe's education department.

National Content Standard 5

Students will understand that:

Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among individuals or organizations in different nations.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARKS #1 & 2***

Exchange is trading goods and services with people for other goods and services or for money.

The oldest form of exchange is barter -- the direct trading of goods and services between people. Prior to the arrival of Europeans in North America, American Indian tribes had established vast trade networks which extended across North America and into Central and South America. There was no common currency supporting those trade relationships.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Identify historical examples of trade exchanges between their own and other tribes and explain why they think trading was done.

GRADE 8: ***BENCHMARKS #4 & 5***

Imports are foreign goods and services purchased from sellers in other nations.

Exports are domestic goods and services sold to buyers in other nations.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Describe American Indian roles as suppliers (exporters) and consumers (importers) during the colonial and early American fur trade era. Examine both the fur trade's effect on North American natural resources as well as the availability of new choices in goods for those tribes who participated in the fur trade.

National Content Standard 6

Students will understand that:
When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #1***

Economic specialization occurs when people concentrate their production on fewer kinds of goods and services than they consume.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Name several adults in the school or tribal community who specialize in the production of a good or service (e.g., tribal government employee, tribal business employee, teacher, traditional artist), and identify other goods and services that these individuals consume but do not produce for themselves.

- Describe the production of goods which occurs on the students' reservation and identify the production processes that involve specialization and division of labor.

GRADE 12: ***BENCHMARK #3***

Individuals and nations have a comparative advantage in the production of goods or services if they can produce a product at a lower opportunity cost than other individuals or nations. Due to the fact that Indian lands are exempt from state and local taxes, enterprises on American Indian reservation lands are often able to produce goods at a lower opportunity cost since state and local taxes are not included in those costs.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Apply the concepts of opportunity cost and comparative advantage to the following problem: A large U.S. car company needs to find a new location for one of its distributor cap manufacturing plants. The company is looking at two sites: one is in a large industrial park in a small town; the other is on tribal reservation land and would afford substantial tax benefits due to the unique governmental status of the tribe. The unemployment rate is high in both the town and reservation communities. What other incentives, in addition to tax reductions, might the tribe consider offering the company to confirm the company's commitment to locate there?

National Content Standard 7

Students will understand that:
Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #3***

Most people both produce and consume. As producers they make goods and services; as consumers they use goods and services.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Identify family or community members on the reservation who are acting as producers, and specify what they produce (type of good or service). Identify ways in which those same individuals, as consumers, are dependent on other producers located great distances away form the reservation or Indian community. Discuss the interdependencies of today's buyers and sellers.

National Content Standard 8

Students will understand that:
Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

Sample Focus Areas for American Indian Students

GRADE 12: ***BENCHMARK #3***

Changes in supply or demand cause relative prices to change; in turn, buyers and sellers adjust their purchase and sales decisions. Because of the federal trust status of reservation land, tribes do not levy state taxes on goods sold on reservation land. This affects both buyers' purchase decisions and sellers sales decisions, particularly in reservation border areas.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Predict the decisions of both reservation and non-reservation buyers, as well as decisions of off-reservation sellers given the following scenario: Reservation X has several gas stations and smoke shops on it, which are owned by tribal members; federal tax and a 1% tribal tax are included in the sale price of gasoline and tobacco products sold by those businesses. Town Y, which borders the reservation, also has several gas stations and convenience stores. All items sold there include a federal tax and a 3.5% state tax.

National Content Standard 9

Students will understand that:
Competition among sellers lowers costs and prices, and encourages producers to produce more of what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARK #3***

The level of competition in a market is influenced by the number of buyers and sellers.

At the completion of ***Grade 8,*** Indian *students will use this knowledge to:*

- Predict changes for both reservation consumers and off-reservation store owners as a result of competition, given the following scenario: For years, reservation residents have had no store on the reservation from which to buy clothes. They have always had to go to one of two non-Indian owned stores located about 10 miles off the reservation. These two stores have heavily relied on income generated from their Indian customers. Now a tribal member has opened a new store on the reservation which sells both clothing and hardware items.

National Content Standard 10

Students will understand that:
Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and well enforced property rights, is essential to market economy.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARK #3***

Not-for-profit organizations are established primarily for religious, health, educational, civic, or social purposes, and they are exempt from certain taxes.

At the completion of ***Grade 8,*** Indian *students will use this knowledge to:*

- Identify a not-for-profit organization which operates on the Indian students' reservation or community. Describe the organization's professional activities, and explain the rationale for its tax exemption or why it should not be tax exempt.

GRADE 12: ***BENCHMARK #1***

Property rights, contract enforcement, standards for weights and measures, and liability rules affect incentives for people to produce and exchange goods and services.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Predict what might happen if Indian tribes, as sovereign entities, instituted their own systems of currency. How might that affect the incentives for the production of goods and services on the reservation, and would it affect businesses owned by tribal members in the same way it would affect businesses owned by non-tribal members living off the reservation?

National Content Standard 11

Students will understand that:
Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #2***

Money makes trading easier by replacing barter with transactions involving currency, coins, or checks.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Describe the evolution of wampum among Northeast tribes -- from a decorative and ceremonial item preceding the arrival of Europeans, to its use as currency under the Dutch and other colonial governments. Describe strengths or weaknesses of a wampum currency system being used today.

GRADE 8: ***BENCHMARK #1***

As a store of value, money makes it easier for people to save and defer consumption until the future.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Demonstrate their understanding of money as a "store of value" in responding to the following: The Tribal Council wants to establish an education fund to cover college tuition costs for tribal members who seek degrees in areas that will be useful for helping the tribe enhance its future social and economic development. Why is it better for the Council to start the fund now for 8th graders who will graduate in five years, than to want to allocate tribal resources for tuition in five years when those students are ready to enter college?

National Content Standard 12

Students will understand that:
Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, thus affecting the allocation of scarce resources between present and future uses.

Sample Focus Areas for American Indian Students

GRADE 12: ***BENCHMARK #6***

Riskier loans command higher interest rates than safer loans because of the greater chance of default on the repayment of risky loans.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Predict the likely differences in interest rates charged by a bank for the following two scenarios and why this difference in rates is likely:
  - Customer A: A tribe in North Dakota has passed a referendum supporting the development of a casino and hotel complex. A feasibility study has been done, and it is predicted that the casino operation will draw a regular flow of customers within a 200 mile radius. In addition, it is expected that the casino/hotel complex will be a good economic complement, appealing to some of the same clientele, to the already successful ski resort run by another tribe 15 miles away.
  - Customer B: A business in a neighboring town off the reservation is trying to borrow money to build a large greenhouse and nursery for experimentation in growing exotic plants.

National Content Standard 13

Students will understand that:
Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARK #1***

Labor is a human resource used to produce goods and services.

At the completion of ***Grade 4,*** Indian *students will use this knowledge to:*

- Identify human resources in their American Indian community, and the goods and services they provide. Identify a variety of types of resources including tribal and federal government, IHS facilities, schools and businesses run by the tribe as well as individuals.

GRADE 8: ***BENCHMARK #5***

People's incomes, in part, reflect choices they have made about education, training, skill development, and careers. American Indian career and job choices often reflect cultural values, such as a desire to work for the good of one's own people, or the desire to remain in the community with which one feels a cultural compatibility and cultural identity.

At the completion of ***Grade 8,*** Indian *students will use this knowledge to:*

- Collect data from American Indian adults in the community regarding their reasons for working where they do; analyze the data, and generalize why people choose the lines of work they do. Consider non-financial reasons for working and the extent to which cultural ties to the community or values associated with "giving to the community," play a role in employment choices.

National Content Standard 14

Students will understand that:
Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARK #1***

Entrepreneurs compare the expected benefits of entering a new enterprise with the expected costs.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Brainstorm a list of small businesses which are needed in the students' Indian community and compare the expected benefits for local entrepreneurs with the expected costs they are likely to incur.

GRADE 12: ***BENCHMARKS #1 & 2***

Entrepreneurial decisions affect job opportunities for other workers.

Entrepreneurial decisions are influenced by government tax and regulatory policies.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Conduct a feasibility study for one or more proposed small businesses in the students' American Indian community. Consider employment resources, job opportunity impact and affect, if any, of local regulatory policies that may apply.

National Content Standard 15

Students will understand that:
Investment in factories, machinery, new technology, and the health, education, and training of people can raise future standards of living.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARK #4***

Increases in productivity result from advances in technology and other sources.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Analyze an American Indian business in the students' community and make suggestions about how technology and other elements, such as training, could improve the level of productivity.

GRADE 12: ***BENCHMARK #1***

Economic growth is a sustained rise in a nation's production of goods and services. It results from investment in human and physical capital, research and development, technological change, and improved arrangements and incentives.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Develop an economic growth plan for students' American Indian community. Suggest new investments in human and physical capital, research and development, technology, and improved institutional arrangements and incentives.

National Content Standard 16

Students will understand that:
There is an economic role for government to play in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.

Sample Focus Areas for American Indian Students

GRADE 4: ***BENCHMARKS #1 & 2***

Governments provide certain kinds of goods and services in a market economy.

Governments pay for the goods and services they use or provide by taxing or borrowing from people.

At the completion of ***Grade 4****,* Indian *students will use this knowledge to:*

- Brainstorm a list of goods and services provided by the students' tribal government and explain how these goods and services are paid for.
- Apply knowledge of the tribal government and its relationship to the U.S. government in responding to the following questions: Your community wants a new school (or road). Who will pay for it and how will they get the money? Why is this the best way to pay for it?

GRADE 8: ***BENCHMARK #5***

Most state and local government revenues come from sales tax, grants from the federal government, personal income taxes, and property taxes. The bulk of state and local government revenue is spent for education, public welfare, road construction and repair, and public safety.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Construct a pie chart showing the percentages of tribal income derived from both federal sources and tribal business or other enterprises. Track the percentages over a 25-year period in five-year increments. Construct a pie chart of tribal expenditure categories — e.g., education, road maintenance, law enforcement, housing, etc.

National Content Standard 17

Students will understand that:
Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other then economic efficiency are being pursued.

Sample Focus Areas for American Indian Students

GRADE 12: ***BENCHMARK #3***

Incentives exist for political leaders to favor programs that entail immediate benefits and deferred costs; few incentives favor programs promising immediate costs and deferred benefits, even though the latter programs are sometimes economically more effective than the former programs.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Examine major decisions made by their tribal leaders over the past two decades and assess which of those decisions might have had greater positive long-term benefits/outcomes for the reservation community, if greater costs had been immediately assumed, rather than being deferred to a later time. Assess the immediate political impact such cost decisions might have had on those leaders and hypothesize the extent to which negative political impact might have been an incentive in the decision making process.

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National Content Standard 18

Students will understand that:
A nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.

Sample Focus Areas for American Indian Students

GRADE 8: ***BENCHMARK #3***

When consumers make purchases, goods and services are transferred from businesses to households in exchange for money payments. That money is used in turn by businesses to pay for productive resources (natural, human, and capital) and to pay taxes.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Draw and label a circular flow diagram and explain the interrelated roles of households, businesses, tribal and federal governments with respect to the students' reservation economy.

National Content Standard 19

Students will understand that:
Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits others because it arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards, because individuals and organizations use resources to protect themselves against the uncertainty of future prices.

Sample Focus Areas for American Indian Students

GRADE 8: BENCHMARK #1

When unemployment exists, an economy's production is less than potential GDP and some labor resources are not used.

At the completion of ***Grade 8****,* Indian *students will use this knowledge to:*

- Describe in words or draw a flow chart that shows the potential ripple effect on the reservation community if the major employer of reservation residents were to lay off 60% of its employees.

GRADE 12: ***BENCHMARK #1***

The unemployment rate is the percentage of the labor force that is willing and able to work, does not currently have a job, and is actively looking for work.

At the completion of ***Grade 12****,* Indian *students will use this knowledge to:*

- Find out the official unemployment rate in the local community; break the statistics out by age, gender and education level (if possible). Compare those rates to the overall national rate. Speculate about the reasons for differences, if any, in the local and national unemployment levels.

National Content Standard 20

Students will understand that:
Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices.

Sample Focus Areas for American Indian Students

GRADE 12: ***BENCHMARK #4***

The federal government's annual budget is balanced when its revenues from taxes and user fees equal its expenditures. The government runs a budget deficit when its expenditures exceed its revenues. The government runs a surplus when its revenues exceed its expenditures.

At the completion of ***Grade 12,*** Indian *students will use this knowledge to:*

- Use available data to analyze the local tribal government's past five annual budgets and determine whether those budgets have been surplus, deficit, or balanced budgets. Hypothesize what they (the students) may have done differently in terms of tribal budgetary policies to have affected the local economy differently.